

AMENDED IN SENATE FEBRUARY 14, 2009

AMENDED IN ASSEMBLY JANUARY 7, 2009

CALIFORNIA LEGISLATURE—2009–10 THIRD EXTRAORDINARY SESSION

ASSEMBLY BILL

No. 14

Introduced by Assembly Member Evans

January 5, 2009

~~An act relating to the Budget Act of 2008. An act to amend Sections 15819.40, 15819.402, 15819.403, 15819.404, 15819.41, 15819.412, 15819.414, 15819.417, 15820.903, 15820.911, and 15820.913 of, and to add Sections 15820.904 and 15820.914 to, the Government Code, to amend Section 7021 of the Penal Code, and to amend Sections 1970, 1971, 1972, 1973, and 1975 of, and to add Section 1977 to, the Welfare and Institutions Code, relating to correctional facilities, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 14, as amended, Evans. ~~Budget Act of 2008.~~ *Prison facilities: construction.*

~~This bill would express the intent of the Legislature to make statutory changes relating to the Budget Act of 2008.~~

Existing law, the Public Safety and Offender Rehabilitation Services Act of 2007, requires the Department of Corrections and Rehabilitation to design, construct, or renovate prison housing units, prison support buildings, and programming space in order to add approximately 7,484 beds at specified adult correctional facilities, and authorizes the department to develop approximately 12,000 new prison beds overall, including appropriate programming space, and to acquire land, design,

construct, and renovate reentry program facilities, and to construct and establish new buildings at facilities under the jurisdiction of the department to provide medical, dental, and mental health treatment or housing for 6,000 inmates, as specified.

This bill instead would remove the limitation on the number of beds that are required to be constructed at specified facilities, while maintaining the 12,000 bed maximum, and would delete the word “prison” from the types of facilities that are affected by the bill and replace it with “facilities under the jurisdiction of the department.”

Existing law authorizes the State Public Works Board to issue revenue bonds or notes for purposes of financing these projects, as specified. Existing law also provides that funds derived from interim financing, bonds, or notes issued for this purpose are continuously appropriated to the board on behalf of the department for purposes of specified prison construction. Existing law authorizes the board to borrow funds for project costs from the Pooled Money Investment Account.

This bill would add acquisition and design as project costs for which the board may borrow funds from the Pooled Money Investment Account. The bill would also provide that preliminary expenditures to develop the scope, budget, programming, and scheduling for a project would be reimbursable from the proceeds of the revenue bonds. The board would be allowed to issue bonds or notes to finance the acquisition of specified projects. The amount of bonds or notes to be sold would be required to include the cost of acquisition of the facilities and other costs related to acquisition of the facilities. Because the bill would authorize additional uses of continuously appropriated funds, the bill would constitute an appropriation.

Under existing law, the amount of revenue bonds or notes to be sold is required to equal certain costs, including interim financing and a reasonable reserve.

This bill, instead, would authorize the amount of bonds and notes to include those items.

Existing law provides that eligible counties that choose to finance a local youthful offender rehabilitative facility with money from this act are responsible for the acquisition, design, construction, staffing, operation, repair, and maintenance of those facilities.

This bill would also require those counties to be responsible for the renovation of those facilities.

The bill would make related conforming changes.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 19, 2008.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on December 19, 2008, pursuant to the California Constitution.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 15819.40 of the Government Code is
2 amended to read:
3 15819.40. (a) (1) (A) The Department of Corrections and
4 Rehabilitation ~~shall~~ may design, construct, or renovate ~~prison~~
5 housing units, ~~prison~~ support buildings, and programming space
6 in order to add ~~approximately 7,484~~ up to 12,000 beds at the
7 following ~~prison~~ facilities:
8 (i) ~~Pleasant Valley State Prison.~~
9 (ii) ~~Pelican Bay State Prison.~~
10 (iii) ~~California State Prison, Los Angeles County.~~
11 (iv) ~~Calipatria State Prison.~~
12 (v) ~~Centinela State Prison.~~
13 (vi) ~~Salinas Valley State Prison.~~
14 (vii) ~~Kern Valley State Prison.~~
15 (viii) ~~Waseo State Prison.~~
16 (ix) ~~North Kern State Prison.~~
17 (x) ~~Mule Creek State Prison.~~
18 (B) ~~The facilities under its jurisdiction.~~ The department shall
19 complete site assessments at ~~prison~~ facilities at which it intends
20 to construct or renovate additional housing units, support buildings,
21 and programming space. The department may use the funding
22 provided in Section 28 of Chapter 7 of the Statutes of 2007 to
23 complete these site assessments. After completing these site
24 assessments, the department shall define the scope and cost of each
25 project pursuant to subdivision (d).

1 ~~(C)~~

2 ~~(B)~~ The authority contained in ~~subparagraphs~~ *subparagraph*
3 ~~(A) and (B)~~ may be used to develop ~~approximately 12,000~~ new
4 ~~prison~~ beds including appropriate programmatic space pursuant
5 to paragraph (2) of subdivision (a) and, together with the funds
6 appropriated in Section 15819.403 for this purpose, shall constitute
7 the scope of a single capital outlay project for purposes of
8 calculating augmentations pursuant to Section 13332.11 as
9 described in Section 15819.401.

10 (2) Any new beds constructed pursuant to this section shall be
11 supported by rehabilitative programming for inmates, including,
12 but not limited to, education, vocational programs, substance abuse
13 treatment programs, employment programs, and prerelease
14 planning.

15 (3) The purpose of beds constructed pursuant to this section is
16 to replace the temporary beds currently in use, and they are not
17 intended to house additional inmates. For the purposes of this
18 section, “temporary beds” shall be defined as those that are placed
19 in gymnasiums, classrooms, hallways, or other public spaces that
20 were not constructed for the purpose of housing inmates.

21 (b) The Department of Corrections and Rehabilitation may
22 acquire land, design, construct, and renovate reentry program
23 facilities to provide housing for ~~approximately up to 6,000~~ inmates
24 as authorized in Chapter 9.8 (commencing with Section 6271) of
25 the Penal Code and, together with the funds appropriated in Section
26 15819.403 for this purpose, this shall constitute the scope and cost
27 of a single capital outlay project for purposes of calculating
28 augmentations pursuant to Section 13332.11 as described in Section
29 15819.401.

30 (c) The Department of Corrections and Rehabilitation is
31 authorized to *design*, construct, and establish new buildings at
32 facilities under the jurisdiction of the department to provide
33 medical, dental, and mental health treatment or housing for
34 ~~approximately up to 6,000~~ inmates and, together with the funds
35 appropriated in Section 15819.403 for this purpose, this shall
36 constitute the scope and cost of a single capital outlay project for
37 purposes of calculating augmentations pursuant to Section
38 13332.11 as described in Section 15819.401.

39 (d) (1) The reporting requirements set forth in Sections 7000
40 to 7003.5, inclusive, of the Penal Code, shall apply separately to

1 each institution or facility. The scope and cost of the project for
2 each institution or facility shall be established individually by the
3 State Public Works Board. The amount of the total appropriations
4 in Section 15819.403 that is necessary for each project shall be
5 allocated to each institution or facility project. The appropriations
6 may be allocated based on current estimates. These initial
7 allocations may be adjusted commensurate to changes that occur
8 during the progression of the projects. As allocations are made or
9 adjusted, the anticipated deficit or savings shall be continuously
10 tracked and reported. Once the total appropriation has been
11 allocated, any augmentation necessary to fund an anticipated deficit
12 shall be based on the total applicable capital outlay appropriation
13 in Section 15819.403 and applied to each project allocation as
14 necessary.

15 (2) For each institution, the Department of Corrections and
16 Rehabilitation shall report to the Joint Legislative Budget
17 Committee identifying those projects that the department proposes
18 to undertake, and any support buildings, and programming space
19 to support ~~approximately up to 12,000 new beds at existing~~
20 ~~institutions~~. For each institution, the department shall describe the
21 scope, budget, schedule, number of beds by security level, along
22 with approximate square footage of ~~prison~~ support buildings, and
23 programming space to be constructed or renovated. If after
24 providing these reports, the committee fails to take any action with
25 respect to each report within 30 days after submittal, this inaction
26 shall be deemed to be approval for purposes of this section, and
27 the department is authorized to proceed to design, construct, or
28 renovate ~~prison~~ housing units, support buildings, and programming
29 space for each institution for which a report has been approved.

30 (3) The department shall notify the Joint Legislative Budget
31 Committee 45 days prior to the submission of preliminary plans
32 to the board for each project authorized in this section. If after
33 providing these notifications, the committee fails to take any action
34 with respect to each report within 45 days after submittal, this
35 inaction shall be deemed to be approval for purposes of this section,
36 and the department is authorized to design, construct, or renovate
37 ~~prison~~ housing units, support buildings, and programming space
38 for each institution for which a report has been approved.

39 (4) The Department of Corrections and Rehabilitation shall
40 report quarterly to the Joint Legislative Budget Committee on the

1 allocations from the appropriations in Section 15819.403 and the
2 anticipated deficit or savings. Each reentry program facility
3 authorized under subdivision (b) shall be considered to be a
4 separate project for reporting purposes pursuant to Sections 7000
5 and 7003.5 of the Penal Code. Each medical, mental health, or
6 dental building improvement authorized under subdivision (c)
7 shall be considered to be a separate project, except that building
8 improvements that have a related purpose and that are located at
9 the same ~~prison~~ *institution* may be considered one project, for
10 reporting purposes pursuant to Sections 7000 and 7003.5 of the
11 Penal Code.

12 *SEC. 2. Section 15819.402 of the Government Code is amended*
13 *to read:*

14 15819.402. For all projects ~~approved for financing by the board~~
15 ~~pursuant to Section 15819.40 authorized by this chapter~~, the board
16 may borrow funds for project costs, including studies, ~~preliminary~~
17 ~~plans and working drawings~~, *acquisition, design*, construction,
18 and construction-related costs from the Pooled Money Investment
19 Account pursuant to Sections 16312 and 16313. ~~Project Except~~
20 ~~for preliminary expenditures to develop the scope, budget,~~
21 ~~programming, and scheduling for a project~~, project funds expended
22 prior to project approval by the board shall not be reimbursable
23 from the proceeds of the bonds.

24 *SEC. 3. Section 15819.403 of the Government Code is amended*
25 *to read:*

26 15819.403. (a) The board may issue revenue bonds, negotiable
27 notes, or negotiable bond anticipation notes pursuant to this part
28 to finance the *acquisition, design, and construction, including,*
29 *without limitation, renovation,* and the costs of interim financing
30 of the projects authorized in Section 15819.40. Authorized costs
31 for *acquisition, design, construction, including, without limitation,*
32 *renovation,* and construction-related costs for all projects approved
33 for financing by the board shall not exceed one billion eight
34 hundred million dollars (\$1,800,000,000) for subdivision (a) of
35 Section 15819.40, nine hundred seventy-five million dollars
36 (\$975,000,000) for subdivision (b) of Section 15819.40, and eight
37 hundred fifty-seven million one hundred thousand dollars
38 (\$857,100,000) for subdivision (c) of Section 15819.40.

39 (b) Notwithstanding Section 13340, funds derived from interim
40 financing, revenue bonds, negotiable notes, or negotiable bond

1 anticipation notes issued pursuant to this chapter are hereby
2 continuously appropriated to the board on behalf of the Department
3 of Corrections and Rehabilitation for the purposes specified in
4 Section 15819.40.

5 (c) For the purposes of this section, “construction-related costs”
6 shall include mitigation costs of local government and school
7 districts and shall be made available pursuant to subdivisions (c)
8 and (d) of Section 7005.5 of the Penal Code. It is the intent of the
9 Legislature that any payments made for mitigation shall be made
10 in a timely manner.

11 *SEC. 4. Section 15819.404 of the Government Code is amended*
12 *to read:*

13 15819.404. Notwithstanding Section 15819.403, the amount
14 of revenue bonds, negotiable notes, or negotiable bond anticipation
15 notes to be sold ~~shall equal~~ *may include* the following:

16 (a) The cost of *acquisition*, design, construction, *including*,
17 *without limitation*, renovation, or construction management and
18 supervision, and other costs related to the *acquisition*, design, and
19 construction, *including, without limitation, renovation*, of the
20 facilities, including augmentations.

21 (b) Sums necessary to pay interim financing.

22 (c) In addition to the amount authorized by Section 15819.403,
23 any additional amount as may be authorized by the board to
24 establish a reasonable construction reserve and to pay the costs of
25 financing, including the payment of interest during acquisition or
26 *interest prior to, during, and for a period of six months after*
27 construction of the project, the cost of financing a debt-service
28 reserve fund, and the cost of issuance of permanent financing for
29 the project. This additional amount may include interest payable
30 on any interim loan for the facility from the General Fund or the
31 Pooled Money Investment Account pursuant to Sections 16312
32 and 16313.

33 *SEC. 5. Section 15819.41 of the Government Code is amended*
34 *to read:*

35 15819.41. (a) The Department of Corrections and
36 Rehabilitation shall complete site assessments at ~~prison~~ facilities
37 where it intends to construct or renovate additional ~~prison~~ housing
38 units, ~~prison~~ support buildings, and programming space in order
39 to add ~~approximately up to 4,000 beds at existing prison~~ facilities
40 *under its jurisdiction*. The department may use the funding

1 provided in Section 28 of Chapter 7 of the Statutes of 2007 to
2 complete the site assessments. After completing these site
3 assessments the department shall define the scope and costs of
4 each project pursuant to subdivision (d). This authorization is in
5 addition to the authorization in subdivision (a) of Section ~~15891.40~~
6 ~~15819.40~~. Any new beds constructed shall be supported by
7 rehabilitative programming for inmates, including, but not limited
8 to, education, vocational programs, substance abuse treatment
9 programs, employment programs, and prerelease planning. The
10 Department of Corrections and Rehabilitation is authorized to
11 design, construct, or renovate ~~prison~~ housing units, ~~prison~~ support
12 buildings, and programming space in order to add ~~approximately~~
13 ~~up to 4,000 beds at existing prison facilities under its jurisdiction.~~
14 This authorization is in addition to the authorization in subdivision
15 (a) of Section 15819.40. Any new beds constructed shall be
16 supported by rehabilitative programming for inmates, including,
17 but not limited to, education, vocational programs, substance abuse
18 treatment programs, employment programs, and prerelease
19 planning. The authority contained in this ~~subparagraph~~ *subdivision*
20 together with the funds appropriated in Section 15819.413 for this
21 purpose, shall constitute the scope and cost of a single capital
22 outlay project for purposes of calculating augmentations pursuant
23 to Section 13332.11 as described in Section 15819.411.

24 (b) The Department of Corrections and Rehabilitation is
25 authorized to design and construct new, or renovate existing,
26 buildings at facilities under the jurisdiction of the department to
27 provide medical, dental, and mental health treatment or housing
28 for ~~approximately up to 2,000 inmates.~~ This authorization is in
29 addition to the authorization in subdivision (c) of Section 15819.40.
30 The authority contained in this ~~subparagraph~~ *subdivision* together
31 with the funds appropriated in Section 15819.413 for this purpose,
32 shall constitute the scope and cost of a single capital outlay project
33 for purposes of calculating augmentations pursuant to Section
34 13332.11 as described in Section 15819.411.

35 (c) The Department of Corrections and Rehabilitation is
36 authorized to construct, establish, and operate reentry program
37 facilities throughout the state that will house ~~approximately up to~~
38 10,000 inmates pursuant to Section 6271.1 of the Penal Code, and
39 together with the funds appropriated in Section 15819.413 for this
40 purpose, this shall constitute the scope and cost of a single capital

1 outlay project for purposes of calculating augmentations pursuant
2 to Section 13332.11 as described in Section 15819.411.

3 (d) (1) The reporting requirements set forth in Sections 7000
4 to 7003.5, inclusive, of the Penal Code, shall apply separately to
5 each institution or facility. The scope and cost of the project for
6 each institution or facility shall be established by the State Public
7 Works Board individually. The amount of the total appropriations
8 in Section 15819.413 that is necessary for each project shall be
9 allocated to each institution or facility project. The appropriations
10 may be allocated based on current estimates. These initial
11 allocations may be adjusted commensurate to changes that occur
12 during the progression of the projects. As allocations are made or
13 adjusted, the anticipated deficit or savings shall be continuously
14 traced and reported. Once the total appropriation has been allocated,
15 any augmentation necessary to fund an anticipated deficit shall be
16 based on the total applicable capital outlay appropriation in Section
17 15819.413 and applied to each project allocation as necessary.

18 (2) For each institution, the department shall report to the Joint
19 Legislative Budget Committee, identifying those projects that the
20 department proposes to undertake, and any support buildings, and
21 programming space to support ~~approximately up to 4,000 new~~
22 ~~beds at existing institutions~~. For each institution, the department
23 shall describe the scope, budget, schedule, number of beds by
24 security level, along with approximate square footage of ~~prison~~
25 support buildings, and programming space to be constructed or
26 renovated. If after providing these reports, the committee fails to
27 take any action with respect to each report within 30 days after
28 submittal, this inaction shall be deemed to be approval for purposes
29 of this section, and the department is authorized to proceed to
30 design, construct, or renovate ~~prison~~ housing units, support
31 buildings, and programming space for each institution for which
32 a report has been approved.

33 (3) The Department of Corrections and Rehabilitation shall
34 notify the Joint Legislative Budget Committee 45 days prior to
35 the submission of preliminary plans to the board for each project
36 authorized in this section. If after providing these notifications,
37 the committee fails to take any action with respect to each report
38 within 45 days after submittal, this inaction shall be deemed to be
39 approval for purposes of this section, and the department is
40 authorized to design, construct, or renovate ~~prison~~ housing units,

1 support buildings, and programming space for each institution for
2 which a report has been approved.

3 (4) The Department of Corrections and Rehabilitation shall
4 report quarterly to the Joint Legislative Budget Committee on the
5 allocations from the appropriations in Section 15819.413 and the
6 anticipated deficit or savings. Each reentry program facility
7 authorized under subdivision (c) shall be considered to be a
8 separate project. Each medical, mental health, or dental building
9 improvement authorized under subdivision (b) shall be considered
10 to be a separate project, except that building improvements that
11 have a related purpose and that are located at the same ~~prison~~
12 *institution* may be considered one project, for reporting purposes
13 pursuant to Sections 7000 and 7003.5 of the Penal Code.

14 *SEC. 6. Section 15819.412 of the Government Code is amended*
15 *to read:*

16 15819.412. For all projects ~~approved for financing by the board~~
17 ~~pursuant to Section 15819.41 authorized by this chapter~~, the board
18 may borrow funds for project costs, including studies, ~~preliminary~~
19 ~~plans and working drawings~~, *design*, construction, *including*,
20 *without limitation*, renovation, and construction-related costs from
21 the Pooled Money Investment Account pursuant to Sections 16312
22 and 16313. ~~Project~~ *Except for preliminary expenditures to develop*
23 *the scope, budget, programming, and scheduling for a project*,
24 *project* funds expended prior to project approval by the board shall
25 not be reimbursable from the proceeds of the bonds.

26 *SEC. 7. Section 15819.414 of the Government Code is amended*
27 *to read:*

28 15819.414. Notwithstanding Section 15819.413, the amount
29 of revenue bonds, negotiable notes, or negotiable bond anticipation
30 notes to be sold ~~shall equal~~ *may include* the following:

31 (a) The cost of design, construction, *including, without*
32 *limitation, renovation, or construction management and*
33 *supervision*, and other costs related to the design and construction,
34 *including, without limitation, renovation*, of the facilities, including
35 augmentations.

36 (b) Sums necessary to pay interim financing.

37 (c) In addition to the amount authorized by Section 15819.413,
38 any additional amount as may be authorized by the board to
39 establish a reasonable construction reserve and to pay the costs of
40 financing, including the payment of interest during acquisition or

1 *interest prior to, during, and for a period of six months after*
2 *construction of the project, the cost of financing a debt-service*
3 *reserve fund, and the cost of issuance of permanent financing for*
4 *the project. This additional amount may include interest payable*
5 *on any interim loan for the facility from the General Fund or the*
6 *Pooled Money Investment Account pursuant to Sections 16312*
7 *and 16313.*

8 *SEC. 8. Section 15819.417 of the Government Code is amended*
9 *to read:*

10 15819.417. The State Public Works Board may not release any
11 funds pursuant to this chapter until the panel created pursuant to
12 Section 7021 of the Penal Code has certified that conditions listed
13 in that section have been met. The authority provided by this
14 chapter shall expire on January 1, 2014, and no project shall be
15 commenced after that date, but projects already commenced may
16 be completed *and financed through the issuance of bonds pursuant*
17 *to this chapter.*

18 *SEC. 9. Section 15820.903 of the Government Code is amended*
19 *to read:*

20 15820.903. (a) The SPWB may issue up to seven hundred
21 fifty million dollars (\$750,000,000) in revenue bonds, notes, or
22 bond anticipation notes, pursuant to Chapter 5 of Part 10b of
23 Division 3 of Title 2 (commencing with Section 15830) to finance
24 the acquisition, design, or construction, and a reasonable
25 construction reserve, of approved local jail facilities described in
26 Section 15820.901, *and any additional amount authorized under*
27 *Section 15849.6 to pay for the cost of financing.*

28 (b) Proceeds from the revenue bonds, notes, or bond anticipation
29 notes may be utilized to reimburse a participating county for the
30 costs of acquisition, preliminary plans, working drawings, and
31 construction for approved projects.

32 (c) Notwithstanding Section 13340, funds derived pursuant to
33 this section and Section 15820.902 are continuously appropriated
34 for purposes of this chapter.

35 (d) This section shall become inoperative on June 30, 2017, *and*
36 *no project may be commenced after that date; however, projects*
37 *that have already commenced by that date may be completed and*
38 *financed with bonds issued pursuant to this chapter.*

39 *SEC. 10. Section 15820.904 is added to the Government Code,*
40 *to read:*

1 15820.904. *In support of this state funding, the Legislature*
2 *finds and declares all of the following:*

3 (a) *The county jail system needs more capacity.*

4 (b) *Without increased capacity, public safety throughout the*
5 *state may be jeopardized by offenders who either remain in the*
6 *community or are released early due to lack of jail capacity.*

7 (c) *By expanding jail capacity, this funding will serve a critical*
8 *state purpose by promoting public safety.*

9 (d) *This purpose represents valuable consideration in exchange*
10 *for this state action.*

11 SEC. 11. *Section 15820.911 of the Government Code is*
12 *amended to read:*

13 15820.911. (a) The CDCR, a participating county, and the
14 SPWB are authorized to acquire, design, and construct, a local jail
15 facility approved by the Corrections Standards Authority (CSA)
16 pursuant to Section ~~15820.906~~ 15820.916, or a site or sites owned
17 by, or subject to a lease or option to purchase held by a
18 participating county. The ownership interest of a participating
19 county in the site or sites for a local jail facility must be determined
20 by the SPWB to be adequate for purposes of its financing in order
21 to be eligible under this chapter.

22 (b) Notwithstanding Section 15815, a participating county may
23 acquire, design, or construct the local jail facility in accordance
24 with its local contracting authority. Notwithstanding Section 14951,
25 the participating county may assign an inspector during the
26 construction of the project.

27 (c) The CDCR, a participating county and the SPWB shall enter
28 into a construction agreement for these projects that shall provide,
29 at a minimum, performance expectations of the parties related to
30 the acquisition, design, construction, or renovation of the local jail
31 facility, guidelines and criteria for use and application of the
32 proceeds of revenue bonds, notes, or bond anticipation notes issued
33 by the SPWB to pay for the cost of the approved local jail facility
34 project and ongoing maintenance and staffing responsibilities for
35 the term of the financing.

36 (d) The construction agreement shall include a provision that
37 the participating county agrees to indemnify, defend, and save
38 harmless the State of California for any and all claims and losses
39 arising out of the acquisition, design, and construction of the

project. The construction agreement may also contain additional terms and conditions that facilitate the financing by the SPWB.

(e) The scope and cost of these approved local jail facility projects shall be subject to approval and administrative oversight by the SPWB.

(f) For purposes of compliance with the California Environmental Quality Act (Division 13 of the Public Resources Code (commencing at Section 210000)), neither the SPWB nor the CDCR shall be deemed a lead or responsible agency; the participating county is the lead agency.

SEC. 12. Section 15820.913 of the Government Code is amended to read:

15820.913. (a) The SPWB may issue up to four hundred seventy million dollars (\$470,000,000) in revenue bonds, notes, or bond anticipation notes, pursuant to Chapter 5 of Part 10b of Division 3 of Title 2 (commencing with Section 15830) to finance the acquisition, design, or construction, and a reasonable construction reserve, of approved local jail facilities described in Section 15820.911, *and any additional amount authorized under Section 15849.6 to pay for the cost of financing.*

(b) Proceeds from the revenue bonds, notes, or bond anticipation notes may be used to reimburse a participating county for the costs of acquisition, preliminary plans, working drawings, and construction for approved projects.

(c) Notwithstanding Section 13340, funds derived pursuant to this section and Section ~~15820.902~~ 15820.912 are continuously appropriated for purposes of this chapter.

SEC. 13. Section 15820.914 is added to the Government Code, to read:

15820.914. *In support of this state funding, the Legislature finds and declares all of the following:*

(a) *The county jail system needs more capacity.*

(b) *Without increased capacity, public safety throughout the state may be jeopardized by offenders who either remain in the community or are released early due to lack of jail capacity.*

(c) *By expanding jail capacity, this funding will serve a critical state purpose by promoting public safety.*

(d) *This purpose represents valuable consideration in exchange for this state action.*

SEC. 14. Section 7021 of the Penal Code is amended to read:

1 7021. (a) The State Public Works Board may not release any
2 funds provided for projects in Section 15819.41 of the Government
3 Code or Section 6271.1, until a three-member panel, composed of
4 the State Auditor, the Inspector General, and an appointee of the
5 Judicial Council of California, verifies that the conditions outlined
6 in paragraphs (1) to (13), inclusive, have been met. The Legislative
7 Analyst shall provide information and input to the three-member
8 panel as it considers whether the conditions have been met.

9 (1) At least 4,000 beds authorized in subdivision (a) of Section
10 15819.40 of the Government Code are under construction.

11 (2) The first 4,000 beds authorized in subdivision (a) of Section
12 15819.40 of the Government Code include space and will provide
13 opportunities for rehabilitation services for inmates.

14 (3) At least 2,000 of the beds authorized in subdivision (a) of
15 Section 6271 are under construction or sited.

16 (4) At least 2,000 substance abuse treatment slots established
17 in Section 2694 have been established, with aftercare in the
18 community.

19 (5) Prison institutional drug treatment slots have averaged at
20 least 75 percent participation over the previous six months.

21 (6) The Department of Corrections and Rehabilitation has
22 implemented an inmate assessment at reception centers, pursuant
23 to Section 3020, and has used the assessment to assign inmates to
24 rehabilitation programs for at least six consecutive months.

25 (7) The Department of Corrections and Rehabilitation has
26 completed the Inmate Treatment and Prison-to-Employment Plan,
27 pursuant to Section 3105.

28 (8) At least 300 parolees are being served in day treatment or
29 crisis care services, pursuant to Section 3073.

30 (9) The California Rehabilitation Oversight Board (C-ROB),
31 created pursuant to Section 6140, has been in operation for at least
32 one year, and is regularly reviewing the Department of Corrections
33 and Rehabilitation's programs. This condition may be waived if
34 the appointments to the C-ROB have not been made by the
35 Legislature.

36 (10) The Department of Corrections and Rehabilitation has
37 implemented a plan to address management deficiencies, pursuant
38 to Section 2061, and at least 75 percent of management positions
39 have been filled for at least six months.

1 (11) The Department of Corrections and Rehabilitation has
2 increased full-time participation in inmate academic and vocation
3 education programs by 10 percent from the levels of participation
4 on April 1, 2007.

5 (12) The Department of Corrections and Rehabilitation has
6 developed and implemented a plan to obtain additional
7 rehabilitation services, pursuant to Section 2062, and the vacancy
8 rate for positions dedicated to rehabilitation and treatment services
9 in prisons and parole offices is no greater than the statewide
10 average vacancy rate for all state positions.

11 (13) The Department of Corrections and Rehabilitation has
12 reviewed existing parole procedures.

13 (b) The provisions of Section 15819.41 of the Government Code
14 and Section 6271.1 shall not authorize construction of facilities
15 until the three-member panel specified in subdivision (a) has
16 certified that the requirements of that subdivision ~~has not have~~
17 ~~been meet met~~. Those sections shall become inoperative on January
18 1, 2014. Any projects already underway may continue, and funding
19 for those projects shall remain *authorized in order to allow for the*
20 *issuance of bonds*.

21 (c) The requirements set forth in Section 7021 are contingent
22 upon the Legislature making funds available for the rehabilitation
23 programs set forth in the Public Safety and Offender Rehabilitation
24 Services Act of 2007.

25 *SEC. 15. Section 1970 of the Welfare and Institutions Code is*
26 *amended to read:*

27 1970. (a) For the purposes of this article, “participating county”
28 means any county, or regional consortium of counties, within the
29 state that has been certified to the ~~State Public Works Board~~ *board*
30 ~~by the Correction Standards Authority~~ *authority* as having satisfied
31 all of the requirements set forth in Section 1975 for financing a
32 local youthful offender rehabilitative facility pursuant to this article.

33 (b) *For purposes of this article, “board” means the State Public*
34 *Works Board, and “authority” means the Corrections Standards*
35 *Authority.*

36 *SEC. 16. Section 1971 of the Welfare and Institutions Code is*
37 *amended to read:*

38 1971. (a) The Department of Corrections and Rehabilitation,
39 a participating county, and the ~~State Public Works Board~~ *board*
40 are authorized to acquire, design, renovate, or construct a local

1 youthful offender rehabilitative facility approved by the ~~Correction~~
2 ~~Standards Authority~~ *authority* pursuant to Section 1975, or a site
3 or sites owned by, or subject to a lease or option to purchase held
4 by a participating county. The ownership interest of a participating
5 county in the site or sites for a local youthful offender rehabilitative
6 facility shall be determined by the board to be adequate for
7 purposes of its financing in order to be eligible under this article.

8 (b) Notwithstanding Section 15815 of the Government Code,
9 a participating county may acquire, design, renovate, or construct
10 the local youthful offender rehabilitative facility in accordance
11 with its local contracting authority. Notwithstanding Section 14951
12 of the Government Code, the participating county may assign an
13 inspector during the construction of the project.

14 (c) The department, a participating county, and the board shall
15 enter a construction agreement for the project that shall provide,
16 at a minimum, all of the following:

17 (1) Performance expectations of the parties related to the
18 acquisition, design, renovation, or construction of the local youthful
19 offender rehabilitative facility.

20 (2) Guidelines and criteria for use and application of the
21 proceeds of revenue bonds, notes, or bond anticipation notes issued
22 by the board to pay for the cost of the approved local youthful
23 offender rehabilitative facility project.

24 (3) Ongoing maintenance and staffing responsibilities for the
25 term of the financing.

26 (d) The construction agreement shall include a provision that
27 the participating county agrees to indemnify, defend, and hold
28 harmless the State of California for any and all claims and losses
29 arising out of the acquisition, design, renovation, and construction
30 of the local youthful offender rehabilitative facility. The
31 construction agreement may also contain additional terms and
32 conditions that facilitate the financing by the board.

33 (e) The scope and cost of the approved local youthful offender
34 rehabilitative facility project shall be subject to approval and
35 administrative oversight by the board.

36 (f) For purposes of compliance with the California
37 Environmental Quality Act (Division 13 (commencing with Section
38 21000) of the Public Resources Code), neither the board nor the
39 department, shall be deemed a lead or responsible agency. The
40 participating county shall be the lead agency.

SEC. 17. Section 1972 of the Welfare and Institutions Code is amended to read:

1972. Upon the receipt by a participating county of responsive construction bids, the board and the department may borrow funds for project costs after the project has been certified pursuant to Section 1970 from the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code, or from any other appropriate source. In the event any of the revenue bonds, notes, or bond anticipation notes authorized by this chapter are not sold, the department shall commit a sufficient amount of its support appropriation to repay any loans made for an approved project.

SEC. 18. Section 1973 of the Welfare and Institutions Code is amended to read:

1973. (a) The board may issue up to one hundred million dollars (\$100,000,000) in revenue bonds, notes, or bond anticipation notes, pursuant to Chapter 5 (commencing with Section 15830) of Part 10b of Division 3 of Title 2 of the Government Code to finance the acquisition, design, renovation, or construction, and a reasonable construction reserve, of approved local youthful offender rehabilitative facilities described in Section 1971, and any additional amount authorized under Section 15849.6 of the Government Code to pay for the cost of financing.

(b) Proceeds from the revenue bonds, notes, or bond anticipation notes may be utilized to reimburse a participating county for the costs of acquisition, preliminary plans, working drawings, and construction for approved projects.

(c) Notwithstanding Section 13340 of the Government Code, funds derived pursuant to this section are continuously appropriated for purposes of this article.

(d) This section shall become inoperative on June 30, 2017. No projects shall be commenced after that date, but projects already commenced may be completed and financed through the issuance of bonds pursuant to this article.

SEC. 19. Section 1975 of the Welfare and Institutions Code is amended to read:

1975. (a) The authority shall adhere to its duly adopted regulations for the approval or disapproval of local youthful offender rehabilitative facilities. The authority also shall consider cost-effectiveness in determining approval or disapproval. No state moneys shall be encumbered in contracts let by a participating

1 county until final architectural plans and specifications have been
2 approved by the authority, and subsequent construction bids have
3 been received. The review and approval of plans, specifications,
4 or other documents by the authority are for the purpose of ensuring
5 proper administration of moneys and determination of whether the
6 project specifications comply with law and regulation. The
7 authority may require changes in construction materials to enhance
8 safety and security if materials proposed at the time of final plans
9 and specifications are not essential and customary as used statewide
10 for facilities of the same security level. Participating counties are
11 responsible for the acquisition, design, *renovation*, construction,
12 staffing, operation, repair, and maintenance of the project.

13 (b) The authority shall establish minimum standards and funding
14 schedules and procedures, which shall take into consideration, but
15 not be limited to, all of the following:

16 (1) Certification by a participating county of project site control
17 through either fee simple ownership of the site or comparable
18 long-term possession of the site, and right of access to the project
19 sufficient to ensure undisturbed use and possession.

20 (2) Documentation of need for the project.

21 (3) A written project proposal.

22 (4) Submittal of a staffing plan for the project, including
23 operational cost projections and documentation that the local
24 youthful offender rehabilitative facility will be able to be safety
25 staffed and operated within 90 days of completion.

26 (5) Submittal of architectural drawings, which shall be approved
27 by the authority for compliance with minimum youthful offender
28 rehabilitation facility standards and which also shall be approved
29 by the State Fire Marshal for compliance with fire safety and life
30 safety requirements.

31 (6) Documentation evidencing the filing by a participating
32 county of a final notice of determination on its environmental
33 impact report.

34 (7) Provisions intended to maintain the tax-exempt status of the
35 bonds, notes, or bond anticipation notes issued by the board.

36 *SEC. 20. Section 1977 is added to the Welfare and Institutions*
37 *Code, to read:*

38 *1977. In support of state funding authorized by this article, the*
39 *Legislature finds and declares all of the following:*

1 (a) *Population levels in local juvenile offender facilities across*
2 *the state have dramatically increased.*

3 (b) *Although capacity in local juvenile offender rehabilitation*
4 *and incarceration facilities has been added during the last decade,*
5 *those facilities still face capacity problems, and aging facilities*
6 *need to be repaired or replaced.*

7 (c) *Insufficient capacity at local juvenile offender rehabilitation*
8 *and incarceration facilities may create risks to the public safety*
9 *as well as a loss to the state of potentially productive members of*
10 *society.*

11 (d) *By expanding local juvenile offender rehabilitation and*
12 *incarceration facilities, this funding will serve a critical state*
13 *purpose, which purpose represents valuable consideration in*
14 *exchange for this state action.*

15 SEC. 21. *This act addresses the fiscal emergency declared by*
16 *the Governor by proclamation on December 19, 2008, pursuant*
17 *to subdivision (f) of Section 10 of Article IV of the California*
18 *Constitution.*

19 SEC. 22. *This act is an urgency statute necessary for the*
20 *immediate preservation of the public peace, health, or safety within*
21 *the meaning of Article IV of the Constitution and shall go into*
22 *immediate effect. The facts constituting the necessity are:*

23 *In order to make the necessary statutory changes to implement*
24 *the Budget Act of 2008 at the earliest time possible, it is necessary*
25 *that this act take effect immediately.*

26 ~~SECTION 1. It is the intent of the Legislature to make statutory~~
27 ~~changes relating to the Budget Act of 2008.~~

28 ~~SEC. 2. This act addresses the fiscal emergency declared by~~
29 ~~the Governor by proclamation on December 19, 2008, pursuant~~
30 ~~to subdivision (f) of Section 10 of Article IV of the California~~
31 ~~Constitution.~~